

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
W. R. GRACE & CO., et al.,<sup>1</sup> ) Case No. 01-01139 (JKF)  
) (Jointly Administered)  
)  
Debtors. ) **Objection Deadline:** February 16, 2005,  
at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF LATHAM & WATKINS LLP FOR COMPENSATION  
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL ENVIRONMENTAL  
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE THIRD MONTHLY INTERIM  
PERIOD, FROM DECEMBER 1, 2004, THROUGH DECEMBER 31, 2004,  
FOR THE QUARTER OF OCTOBER - DECEMBER, 2004**

Name of Applicant: **Latham & Watkins LLP ("L&W")**

Authorized to Provide Professional Services to: **W. R. Grace & Co., et al., Debtors and  
Debtors-in Possession**

Date of Retention: **Retention Order entered June 16, 2004,  
effective nunc pro tunc from April 1, 2001.**

Period for which compensation and reimbursement  
is sought: **December 1, 2004 through December 30, 2004**

Amount of Compensation sought as actual,  
reasonable and necessary: **\$26,177.50**

Amount of Expense Reimbursement sought  
as actual, reasonable and necessary: **\$1,282.35**

This is a(n) X monthly, \_\_\_ interim, \_\_\_ final application.

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<sup>1</sup> The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 4 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$1,200.00.

This is the third monthly application for interim compensation of services for the October-December 2004 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
On or about August 9, 2004	December 2003 – June 2004	\$211,719.00	\$6,927.50	All fees approved	\$6,897.50 approved
On or about August 25, 2004	July 1, 2004 – July 31, 2004	\$11,334.50	\$201.32	Awaiting approval	Awaiting approval
On or about October 25, 2004	August 1, 2004 – August 31, 2004 and September 1, 2004 – September 30, 2004	\$81,729.50	\$5,199.44	Awaiting approval	Awaiting approval
On or about November 25, 2004	October 1, 2004– October 30, 2004	\$45,050.00	\$1,825.59	Awaiting approval	Awaiting approval
On or about December 25, 2004	November 1, 2004– November 30, 2004	\$31,913.50	\$1,509.91	Awaiting approval	Awaiting approval

The hearings for the Quarterly Applications for the interim periods January 1, 2004, through March 31, 2004, April 1, 2004 through June 30, 2004 and July 1, 2004 through September 30, 2004 have not yet been scheduled.

The L&W attorneys who rendered professional services in these cases during the Fee Period are:

Name of Attorney	Position with the Applicant	Number of Years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
John McGahren	Partner	14	Environmental	475.00	16.20	\$ 7,695.00
Laurie D. Matthews	Contract Associate	9	Environmental	455.00	28.90	13,149.50
Jeffrey P. LeJava	Associate	6	Environmental	360.00	2.40	864.00
Daniel F. Mulvihill	Associate	3	Environmental	295.00	12.60	3,717.00
Steven E. Savage	Associate	1	Litigation	235.00	3.20	752.00
<b>Total for Attorneys</b>					<b>63.30</b>	<b>\$26,177.50</b>

**Compensation by Matter**

<b>Matter Number</b>	<b>Matter</b>	<b>Total Hours</b>	<b>Total Fees Requested</b>
029016-0001	Hatco Remediation	57.70	\$24,561.50
029016-0003	Special Counsel Fee Application	5.60	1,616.00
		63.30	\$26,177.50

**Expense Summary for Hatco Remediation**

<b>Description</b>	<b>Amount</b>
Telephone	\$ 15.29
Secretarial Overtime	420.00
Postage	.37
Meals	103.35
Electronic Research	735.30
<b>Total</b>	<b>\$1,274.31</b>

**Expense Summary for Special Environmental Counsel Application**

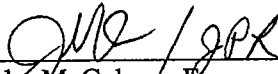
<b>Description</b>	<b>Amount</b>
Telephone	\$1.92
Standard Copies	6.12
<b>Total</b>	<b>\$8.04</b>

**WHEREFORE**, L&W respectfully requests (a) that an allowance be made to it, as fully described above for (i) the amount of \$26,177.50 for reasonable and necessary professional services L&W has rendered to the Debtors during the Fee Period and (ii) the reimbursement of actual and necessary costs and expenses incurred by L&W during the Fee Period (\$1,282.35); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Newark, New Jersey  
Dated: January 22, 2005

Respectfully submitted,

LATHAM & WATKINS LLP

  
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